



MUNICIPALITY OF ANCHORAGE

ASSEMBLY INFORMATION MEMORANDUM

AIM No. 174-2020

Meeting Date: November 17, 2020

From: MAYOR

Subject: **Municipal Budget Advisory Commission 2021 Proposed Budget Resolution, November 2020.**

Attached is a resolution from the Municipal Budget Advisory Commission recommending the Assembly support:

- 1) The Proposed 2021 General Government Operating Budget
- 2) The Proposed 2021 General Government Capital Improvement Budget and 2021-2026 Capital Improvement Program.
- 3) The Proposed 2021 Utility & Enterprise Operating and Capital Budgets.

The resolution was discussed at the special meeting of the commission on November 12, 2020.

Prepared by: Lance Wilber, Director, OMB
Concur: William D. Falsey, Municipal Manager
Respectfully submitted: Austin Quinn-Davidson, Acting Mayor

Municipal Budget Advisory Commission 2021 Proposed Budget Resolution, November 2020

The Municipal Budget Advisory Commission (BAC) is responsible to provide the assembly, the mayor, the school board, and the superintendent of schools well-informed advice as to budgets and budgeting process, 4.50.030.

Whereas; The BAC has been provided information, offered presentations, and reviewed the proposed 2021 budgets (General Government, Capital, and Utility & Enterprises) by the Office of Management and Budget, and

Whereas; In preparation of the BAC's members review of 2021 budget, key departments were selected by the members to participate in individual TEAMS meetings with department directors and representatives to include; Anchorage Fire Department (AFD), Anchorage Police Department (APD), Finance, Health, Maintenance & Operations (M&O), Parks & Recreation, Planning, Port of Alaska and Real Estate to gain more insight and better understanding of department operations, challenges and needs for 2021, and

Whereas; The BAC understands the unique challenges in preparing the Proposed 2021 General Government Operating Budget during a time of our communities economic constraints and concerns for the overall health and wellbeing brought on by forces related to COVID-19 since March 2020 and predicted to continue into 2021, and

Whereas; The BAC recognizes the Proposed 2021 General Government Operating Budget illustrates a less than a 1% increase above the 2020 revised budget approved in April 2020 that established the 2020 tax rate and likely an inflation-adjusted reduction in the size of the budget, and

Whereas; The BAC understands the impact and recognizes the significant reductions in state resources available that are resulting in continued cost shifting of local resources to otherwise state supported services. Concurrently, the drastic reduction in capital investment over the past 5 years has resulted in increased strain on our local capital program to keep up with local community infrastructure needs, and

Whereas; The BAC supports the proposed budget which continues to prioritize public safety, to which approximately 40% of the total budget is allocated including fully funding police and fire attrition academies, supporting programs that focus on addressing homelessness in our community while maintaining basic support services in other departments, and

Whereas; The BAC is aware the M&O Department is challenged in being able to meet industry standards of replacement of general government fleet (67% depreciated), APD vehicles (60% depreciated) and heavy equipment vehicles (57% depreciated). As a result, the BAC supports M&O for additional budget for parts and adding back of the three positions to support maintenance, and

Whereas; The BAC recognizes the critical importance of Parks and Recreation Department's efforts towards preventative maintenance of their facilities and continue do so with limited resources afforded to them and encourages the opportunity for the department to enhance their preventative maintenance, and

Whereas; The BAC promotes the continued need to enhance the ability and resources for preventive maintenance facilities and fleet as it reduces the risk of catastrophic failure, assures

reliability, extends the service life, and promotes a healthy and safe environment for employees and residents use of municipal facilities, and

Whereas; The BAC commends the herculean effort the Anchorage Health Department has taken in responses to the COVID-19 pandemic in 2020 and supports the department's request for additional staff in 2021 towards their response to the pandemic and furthermore the staff to address those negative social, physical, and mental health issues resulting from alcohol and substance misuse and to coordinate efforts amongst various stakeholders, and

Whereas; The BAC encourages the alignment of similar municipal operations, such as the alignment of Parks and Recreation with the operation of the cemetery, duties, and responsibilities when such changes can result in gains of efficiencies and benefits in overall municipal service, and

Whereas; The BAC recognizes the Tax Cap as an instrument to limit the growth of government spending and supports its full application in the budget process by adjusting as required to account for losses in non-property taxes, adjusted for new construction, population, and consumer price index that maintains investment in public safety and basic government service as proposed in the 2021 budget, and

Whereas; The BAC has considered the proposed 2021 capital projects specifically related to the 2021 bonds and supports the proposed amount as the capital investments required to maintain and improve our infrastructure recognizing the proposed total 2021 bond amount is approximately \$6 million less than the 2020 bond request, and

Whereas; The BAC has reviewed and supports the proposed operating and capital budgets for the Utilities and Enterprise Departments, and

Whereas; The BAC particularly commends and supports the efforts of the Anchorage Water and Wastewater Utility (AWWU) has made to prepare their proposed 2021 operating and capital budgets in recognition the utility has faced reduced revenues due to COVID-19, while the overall demand for service rendered has not decreased, and

Now Therefore Be It Resolved:

- 1) That the BAC recommends the Assembly support the Proposed 2021 General Government Operating Budget.
- 2) That the BAC recommends the Assembly support the Proposed 2021 Capital Improvement Budget and 2021-2026 Capital Improvement Program.
- 3) That the BAC recommends the Assembly support the Proposed 2021 Utility & Enterprise Operating and Capital Budgets.

Passed and approved on this date: November 12, 2020

Nolan Klouda

Nolan Klouda

Budget Advisory Commission, Chair